



November 17, 2004

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Jennifer J. Johnson
Secretary
Federal Reserve System
Board of Governors
20th Street and Constitution Ave NW
Washington, DC 20551

Docket No. R-1210
Comment to Proposal to Amend Regulation E

Dear Ms Johnson:

After being made aware of the proposed amendment to Regulation E and its potential impact to retailers, I appreciate the opportunity to give comments.

It is justifiably the right decision to take steps to make sure that consumers are clearly notified of what they are authorizing a merchant to do in the event that they use a check as the tender for their purchases or services. However, while the model clause for an ECK authorization notice should be simplified, three separate versions are not necessary.

I would agree with the Board on their concept that consumer authorization is effective when the consumer goes forward with the transaction after having been given notice that the transaction may be processed as an EFT. A signature requirement is a burdensome process for both the consumer and the retailer and a major deterrent for any retailer to strongly embrace the point of sale ECK process. A signature requirement slows down the sale transaction time and adds to the customer and retailer's frustration, when the goal is fast, efficient service.

It is my understanding that NACHA is currently re-evaluating its authorization procedures and may drop the signature requirement. It would be counterproductive if NACHA were to decide to no longer require a signature while the Board adds a signature requirement.

The model language authorizing electronic collection of insufficient funds charges is clear and to the point, and should be part of the notice when the retailer intends to collect a return check fee electronically. Recovery of the return check fee electronically is preferred by the retailer.

The wording in clause A-6(a) allows for flexibility in processing the transaction as an EFT or traditional check. This flexibility is important for the retailer, because we cannot always determine, at the point of sale, all of the circumstances where the ECK should be processed as a paper check.

It is not necessary to retain all three proposed model authorization clauses in A-6. Sample notice (a) covers all situations and negates the need for the other clauses in (b) and (c).

Cordially,

Michelle Vandiver
Accounting Manager
Bank Reconciliation & Return Check Accounting